

## **NATIONAL POLICY No. 20**

### **TRADING IN UNQUALIFIED SECURITIES - SECURITIES IN PRIMARY DISTRIBUTION IN OTHER JURISDICTIONS**

Registrants executing orders on behalf of residents of the province in which they are registered must ensure that the securities being purchased are qualified for sale in that province. The receipt of an order by a registrant, even though it is transmitted to and executed on an exchange outside the province, is still an act in furtherance of trading within the province. If the security is in primary distribution, a prospectus duly accepted for filing by the administrator (Commission) must be delivered to or received on behalf of the client in all cases.

The securities of open-end investment companies or common law trusts ordinarily referred to as “mutual funds” are always in primary distribution. It is particularly important for registrants to take care when orders are placed with them for American Similar situation applies when orders are received for securities in primary distribution in other jurisdictions. It is the responsibility of the registrant to ensure that the orders which he is executing are for securities that are duly qualified in this province.